

UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D. C.

December 3, 1942  
PC:RSH:EP

DEPARTMENTAL CIRCULAR NO. 394

SUBJECT: Salary differentials for positions outside the States of the United States and the District of Columbia which are compensated under the provisions of the Classification Act of 1923, as amended.

TO HEADS OF DEPARTMENTS AND INDEPENDENT ESTABLISHMENTS:

Your attention is invited to a decision of the Comptroller General to the U. S. Civil Service Commission, B-30338, November 23, 1942, in which rulings are made on several questions relating to the allocation under the Classification Act of 1923, as amended, of positions outside the States of the United States and the District of Columbia, and the payment of salary differentials.

A summary of the rulings upon the points raised by the Civil Service Commission follows:

(1) The heads of departments and independent establishments are required to adjust the compensation of civilian positions in the field service to the grades and compensation schedules of the Classification Act of 1923, as amended, provided such positions are not expressly excepted by statute from the Classification Act, where such positions are (a) in the territories and insular possessions of the United States, or (b) in foreign countries.

(2) It is permissible for the head of a department or independent establishment to fix salary differentials upon a percentage basis by administrative action for employees serving at any location outside the States of the United States and the District of Columbia if it be administratively determined to be otherwise impracticable to recruit personnel for such positions, provided the salary rate fixed for an employee with post of duty outside the continental limits of the United States does not exceed by more than 25 per cent the salary rate authorized to be fixed for the same or similar position in the States and the District of Columbia.

**On file, OPM(s) release instructions apply.**

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(3) It is within administrative discretion to fix such a salary differential at 25 per cent, or at any other rate less than that maximum.

(4) The basis for determining the amount of the differential need not be limited to the minimum salary rate of the corresponding grade, but may be based on any salary rate of a grade to which the employee would be entitled were he serving in the States or the District of Columbia.

The Civil Service Commission desires to confer with representatives of departments and independent establishments with a view to bringing about greater uniformity in the establishment and application of differentials in pay for positions outside the States of the United States and the District of Columbia. Accordingly, will you designate a representative to meet with Commissioner Flemming and members of our staff in the Council Room, first floor, Normandy Building, 1626 - K Street, N. W., on Saturday, December 5, 1942 at 9:00 a.m.

By direction of the Commission:

Very respectfully,

(s) L. A. Moyer

L. A. Moyer  
Executive Director  
and Chief Examiner